Recent developments in Greek Value Added Tax law


The main provisions are summarized as follows:

Cash accounting scheme

- As of 01.10.2014 this optional special scheme shall be mainly applicable for local VATable B2B supplies of goods and services and may be opted for by businesses with annual turnover not exceeding EUR 500,000.
- For businesses, which shall opt to apply the scheme, VAT shall become due upon collection of the consideration or part thereof. Input VAT of supplies made by other taxable persons is deducted at the time of consideration's payment or part thereof.
- The recipients of goods and services supplied from taxable persons that have opted for this scheme exercise their right to deduct the respective input VAT upon payment of the consideration.
- Application of this scheme is effected upon written request, which should be submitted prior to the tax period, at the commencement of which the application of the scheme is requested. The voluntary exit from the scheme cannot be effected prior to expiration of a whole fiscal year.
By way of exception, during the first special scheme's application, the relevant request shall be accepted until 20.10.2014 and it is applicable as of 01.10.2014. In such case, taxable persons who have already issued tax records without the abovementioned indication should inform their clients about the fact that they have opted for this scheme.

The tax records issued by entities applying this scheme should indicate the following: "Cash accounting scheme- Article 226.7a Directive 200/112/ EC - Article 39B VAT Code": "Ειδικό Καθεστώς Καταβολής του Φόρου κατά το χρόνο εισπραξής της αντιπαροχής - άρθρο 226.7α Οδηγίας 2006/112/ΕΚ-Άρθρο 39Β Κώδικα ΦΠΑ".

Issuance of a special record for prepayments is provided for, in cases of prepayments' collection in the context of special scheme's transactions.

Record keeping obligation in order to track collections/payments is introduced, both for taxable person who opt to apply the special scheme and for the clients receiving tax records from them.

An obligation to inform the tax authorities for the relevant collections / payments, by submitting the tax records' list of article 14 par.3 and 4 of Law 4174/2013 is introduced (POL 1022/2014 and POL 1214/2014).

In cases of payments via bank cheques, VAT is deducted upon delivery of the bank check, with no special provisions applying in cases of postdated bank cheques.

VAT filing obligations - Adjustment of deductions

The obligation to file an annual VAT return has been abolished for fiscal years ending after 01.01.2014.

The final input VAT adjustment is performed on the basis of the overall data of the fiscal year, as deriving from the respective VAT returns.

The obligation to remit VAT is abolished, in case where the amount of output VAT due in capital goods' supplies that occur during the adjustment monitoring period is lower than the VAT corresponding to the remaining years of this period.

As of 01.01.2015 a new VAT return (formerly periodic) will be used pursuant to POL 1198/2014.

Appointment of a tax representative is no longer necessary in cases, where the taxable person ceases its business activities and transfers them outside the Greek territory. The tax authorities, however, may ask for any additional necessary guarantee.

Special scheme for small enterprises

Taxable persons, whose turnover, exclusive of VAT, during the previous fiscal year, does not exceed the amount of EUR 10,000 are exempted from the obligation to file VAT returns and from VAT payment. This exemption shall not apply to the following cases: (a) special scheme farmers, (b) non-established taxable persons and (c) supplies of new means of transport (art. 28 par. 1b-Greek VAT Code).
Application of this special scheme requires an amending declaration made to the tax office registry, which cannot be revoked prior to the lapse of a two-year period.

In cases where taxable persons under this special scheme have an obligation to issue tax records, such records should indicate: “without VAT-special scheme for small enterprises” – "χωρίς ΦΠΑ – απαλλαγή μικρών επιχειρήσεων”. Taxable persons under this special scheme have no right to deduct input VAT.

Acceleration of VAT Refunds made to exporting business

POL 1212/2014 decision of General Secretariat for Public Revenue introduces the prerequisites for accelerating VAT refunds to businesses (mainly exporting) performing VAT exempt activities (exempt with right to deduct VAT or taxable outside of Greece) representing at least 50% of their total turnover during the previous fiscal year by way of priority and without any tax audit.

Such businesses are included in a list, provided that the requested VAT amount during the previous calendar year amounts up to 20% of the totally requested VAT amount from all businesses during the previous calendar year, in descending order and on the basis of the VAT amount requested.

In order for a business to be included in the aforementioned list, it should fulfill cumulatively specific prerequisites provided for in POL 1212/2014.

The list is drafted every January. Especially for the current period, the list will be drafted immediately and will apply for pending refund requests that have been filed as of 01.01.2014 from businesses that are included in the list provided that a tax audit has not been launched.

In any case, the tax office may initiate a tax audit prior to proceeding with the refund in case of strong evidence for violations made by the business.

Upon completion of the refund, a sample audit to the businesses included in the list is performed on an annual basis. The sample is determined from the authorities so as to cover at least 10% from those businesses.

Miscellaneous

It is stipulated that by way of exception to the 90 days rule, the deadline for the tax authorities to decide on cases of VAT refund claims from non-established businesses amounts to 4 months (or 8 months if extended), which is the period provided for in the EU legislation for the completion of such refunds. This provision affects non-established businesses that do not have obligation to file VAT returns and incur locally expenses with a recovery right as per the relevant EU legislative framework (Directives 2008/9/EC και 85/560/EEC).

VAT assessment acts may be issued within 5 years as of the end of the year, in which the deadline to file the last return of the respective tax or fiscal year is expired.
The obligation to account for VAT via the reverse charge mechanism is introduced for municipalities and other public bodies in respect of construction works relating to real estate provided from contractors in the context of their VATable activities (Presidential Decrees 59/2007 and 60/2007).

The taxable business performing the aforementioned works has a full right to deduct input VAT relating to such supplies and does not charge VAT on the invoices where a special wording should be included “Article 39A of the Greek VAT Code – domestic reverse charge” – “Άρθρο 39 α, υπόχρεος για την καταβολή του φόρου είναι ο λήπτης”.

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